

REMARKS/ARGUMENTS

Prior to entry of this Amendment, the application included claims 1-25. Claims 1, 16, and 21 have been amended. No claims have been canceled or added. Hence, after entry of this Amendment, claims 1-25 stand pending for examination. Support for the amendments can be found at pg. 9, lines 8-15. No new matter is added by the amendments. The amendments have been made to expedite prosecution.

Claims 1-25 stand rejected under 35 U.S.C. §103(a) as being unpatentable over the cited portions of McDonald et al., U.S. Patent No. 6,648,222 ("McDonald"), in view of the cited portions of Slater, U.S. Patent No. 6,615,190 ("Slater"), and in further view of the cited portions of FoodReview's All Food Stamp Benefits to be Issued Electronically ("FoodReview").

Rejection under 35 U.S.C. § 103 – Addressed

Claims 1-25 are allowable over the cited references in light of Applicants amendments. Claims 1, 16, and 21 have been amended to include recitations that are not taught or suggested by the cited references. Specifically, claim 16 has been amended to recite that "the second benefit type comprises a term during which the second benefit type may be used" and "applying a default condition upon expiration of the term to convert the smart card to a stored value card." Claims 1 and 21 contain similar recitations. For brevity, Applicant will direct the remarks to claim 16, although the remarks apply equally to claims 1 and 21.

Claim 16

As mentioned above, claim 16 has been amended to recite that "the second benefit type comprises a term during which the second benefit type may be used" and "applying a default condition upon expiration of the term to convert the smart card to a stored value card." Essentially, claim 16 describes that after the benefit type associated with the smart card expires, the system applies a condition to convert the smart card to a stored value card. This feature allows the smart card to be usable after a benefit term has expired while restricting the user's

ability to continue using the benefit. This feature is not taught or suggested by any of the cited references.

For example, the FoodReview reference does not teach or suggest this feature. In fact, FoodReview teaches away from this recitation. FoodReview describes applying electronic food stamps to smart cards (*see, generally, FoodReview*). As discussed in FoodReview, a big concern in managing Government sponsored food stamps is eliminating or minimizing illegal trafficking of food stamps (e.g., selling food stamps for cash). *Id.* Illegal trafficking occurs because food stamps are limited to purchasing specific grocery items (e.g., milk, bread, etc.) so that recipients of food stamps do not use government funds to buy non-essential items and/or illegal items (e.g., illegal drugs, alcohol, video games, weapons, etc.). Governmental regulations are enacted to ensure that food stamps are used to only purchase approved items and/or to minimize illegal trafficking.

If the smart card in FoodReview were converted to a stored value card upon expiration of a term as described in claim 16, the Government's regulations would be compromised because the recipient could use the card to purchase any item and/or could sell the card for cash so that the buyer could purchase any item. Due to this concern, the recitations in claim 16 are not taught or suggest by FoodReivew.

Similarly, Slater describes a stored value card where a sponsor can fund an account associated with the stored value card, but the cardholder cannot fund the account. (*see, generally, Slater Abstract*). It is illogical to believe that Slater describes the stored value card being converted to a stored value card upon the expiration of a term. No conversion is possible since the card is already a stored value card. McDonald describes a card with associated subaccounts (*see, generally, McDonald Abstract*), but does not describe the subaccounts expiring or the card being converted to a stored value card upon the expiration of a term.

As such, Applicant submits that none of the cited reference teach or suggest the recitations of claim 16. Claims 1 and 21 contain similar recitations. Therefore, Applicant submits that claims 1, 16, and 21 are allowable over the cited references. Claims 2-15, 17-20, and 22-25 depend, either directly or indirectly, from one of claims 1, 16, or 21 and are likewise

believe to be allowable over the cited references. Applicant, therefore, respectfully requests withdrawal of the rejection of these claims.

Conclusion

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

Further, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment in connection with this paper to Deposit Account No. 20-1430.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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